

SENDER: COMPLETE THIS SECTION

- ☒ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- ☒ Print your name and address on the reverse so that we can return the card to you.
- ☒ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Canyon General Improvement
Attn: Mitch Andreini / GM
800 Peri Road, Suite 103
Lockwood, NV 89434

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Mitch Andreini

☐ Agent

B. Received by (Printed Name)

Mitch Andreini

C. Date of Delivery

1/11

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail
- ☐ Registered
- ☐ Insured Mail
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number

(Transfer from service label)

7010 3090 0000 7933 0183

PS Form 3811, February 2004

Domestic Return Receipt

102555-02-M-15-10



October 28, 2011

Canyon General Improvement District
Attn: Mitch Andreini / General Manager
800 Peri Road, Suite 103
Lockwood, NV 89434

Dear Mitch Andreini,

As you know, we provided you earlier with the FCC-required notification of our station's election of retransmission consent status on your cable system for the next three-year cycle. We suspect that you share our interest in a mutually acceptable renewal of our existing retransmission agreement as quickly as possible and certainly before the Holidays begin. To that end, we now wish to begin a substantive dialogue on the material terms and conditions.

As you know, we are operating under an agreement with your company that was executed just a few years ago. While we do not regard all the terms in that agreement as beneficial, we nevertheless are prepared to continue operating under those terms through the next three-year cycle. We therefore propose to renew the existing agreement from January 1, 2012 through December 31, 2014, with simply an update to the retransmission fee. This approach will reduce the time and expense that both of us otherwise would need to invest in these negotiations, and we believe that there is great value in this streamlined approach for both parties.

In terms of the retransmission fee, we can both agree that the marketplace for broadcast, non-broadcast, and sports programming rights has undergone tremendous changes since our last negotiation. We are not looking to lead the market. Rather, we seek only to be compensated fairly for the tremendous value that our station's network and non-network programming bring to your cable system.

In our case, this includes popular ABC Programming such as Good Morning America, ABC World News Tonight, Dancing with the Stars, Modern Family, Grey's Anatomy and Desperate Housewives, ABC sports programming including NBA Basketball, NCAA College Football, the Indianapolis 500 and Nascar. We also air popular syndicated programming such as Live with Regis and Kelly, Rachael Ray, Dr. Oz, Jeopardy and Wheel of Fortune. As you are probably aware, our station is consistently the #1 station in the Reno market, surpassing all other broadcast stations in sign on to sign off share and also significantly outperforming any and all cable networks in the market as well.


After extensive research, we prepared the enclosed proposal to be fully consistent with marketplace conditions.

At this time, I am also prepared to extend a special incentive discount. If you find our amendment acceptable, and you return a signed version to me before November 15th, our station will grant an incentive discount to the fees due throughout the three-year term. This discount reflects the value to us of finalizing a retrans renewal quickly and without the additional expense of time, legal fees, and the like. The incentive rates are contained in our proposed amendment.

Please understand that this outline is intended to be an expression of our interest and intention to proceed in good faith toward a definitive agreement. It is not intended to be a formal offer or binding agreement in and of itself, and any agreement between the parties will become binding only at such time as we both execute a definitive agreement. Finally, we are proceeding with this proposal on the understanding that our negotiations are subject to the confidentiality provisions of our existing agreement. If you do not agree with this approach, please communicate that to me immediately, and be advised that this outline will be withdrawn.

We look forward to hearing from you soon regarding our renewal negotiations.

Thank you,


Matthew B. Eldredge
General Manager
KOLO-TV